GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

STARRED QUESTION NO:134
ANSWERED ON:26.02.2003
ROLE OF FOREIGN PLAYERS IN DISINVESTMENT
P.D. ELANGOVAN

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government have modified any regulations with regard to the modalities of involvement of foreign players in the disinvestment of PSUs in the country;

(b) if so, the details thereof;

(c) the total amount realized through the foreign investors by way of Disinvestment of various PSUs in the last four years;

(d) whether the disinvestment process has been affected in the recent years due to the paucity of potential foreign investors;

(e) if so, the details thereof and the steps taken by the Government to review and improve the situation;

(f) whether the Government have taken any decision with regard to the modalities of spending the amount realized through the disinvestment of PSUs in the country; and

(g) if so, the details thereof?

Answer

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHF SHOURIE)

(a) to (g) A statement is laid on the Table of the House.

Statement referred to in reply to parts (a), (b), (c), (d), (e), (f) and (g) of the Lok Sabha Starred Question No. 134 for 26-2-2003 regarding Role of Foreign players in disinvestment by Shri P.D.Elangovan (Position No.14)

(a)&(b) No, Sir. However, in some cases the limit for foreign investment in disinvestment has been fixed lower than the present sectoral cap of Foreign Direct Investment (FDI).

(c) Only one of the ITDC Hotels, Viz. Lodhi Hotel, New Delhi, has been sold to a consortium of foreign companies, viz., M/s Silverlink Holdings Ltd., Flash Rise Ltd., Sharp Point Ltd., First Circle Holdings Pvt. Ltd. and Paranal Finance S.A of British Virgin Island for Rs 76.41 crore. All other PSUs have been sold to Indian companies. However, Paradeep Phosphate Ltd., has been sold to a Joint Venture of an Indian company M/s Zuari Industries Ltd. and a Moroccan Company, M/s Maroc Phosphore S.A for Rs. 151.70 crore.

(d) No, Sir.

(e) Does not arise in view of reply to (d) above.

(f) Yes, Sir.

(g) Government has announced on the floor of both the Houses of Parliament on 9th December, 2002 that in order to provide complete visibility to the Government's continued commitment of utilization of disinvestment proceeds for social and infrastructure sectors, it would set up a Disinvestment Proceeds Fund. This Fund will be used for financing fresh employment opportunities and investment, and for retirement of public debt.